

MONTHLY UPDATES ON ADJUDICATION ORDERS

Edition No.10 October 01, 2023 to October 31 2023

ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF OCTOBER 2023

PRAGYA SPOTLIGHT

- 1) Bangalore, ROC has imposed the highest number of orders during the Month of October – i.e., 18 orders, followed by Gwalior ROC with 10 orders, Mumbai ROC 7 orders, Delhi ROC 5 orders, Pune ROC 3 orders, Chandigarh ROC 2 orders and Hyderabad ROC with 1 order.
- 2) The **highest number of orders** have been imposed for violation of **Section 12** of the Companies Act, 2013 i.e., Failure to mention Name of the company, Registered office address, CIN of the company in the official publications and non-maintenance of register office, Delay in filing form INC-22 and Incorrect data updating in INC-22 as per the Provisions of the Act.
- 3) Bangalore, Delhi and Mumbai ROC have penalized 9 companies under section 203 for delay and failure to appoint KMP and WTD
- 4) Under Section 92, Gwalior and Hyderabad ROC has penalized 4 companies for non-filing of Annual return.
- 5) Under section 149 Bangalore, Delhi, Mumbai has penalized 4 companies for failure to appoint Women director, Default in appointment of new director to fill up the vacancy and Non appointment of Indian Director.
- 6) Roc, Bangalore, Gwalior and Mumbai penalized 3 companies under section 42 and 62 for Default in allotment of shares and Failure to maintain separate bank account, failure to file PAS-3, PAS-4 and other related documents during allotment of shares.
- 7) Bangalore ROC has penalized 2 companies under section 114 and 152 where in shareholder has filed the complaint against the company:
 - a) For non-disclosure of Independent director disclosure in the notice of EGM for appointment of Independent director
 - b) For Non-disclosure of EGM notice in the company's website

- 8) Pune Roc has penalized one company under section 184,189 and 39 for failure to disclose the interest of director, not maintaining Register of contracts or arrangements in which directors are interested and attachments in Form-PAS-3 has not been certified by the signatory.
- 9) Under Section 134 and 135, Bangalore Roc has penalized 3 Companies for delay in spending CSR amount and failure to disclose Internal compliance committee in Boards Report.

ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF OCTOBER 2023

Non filing of Annual return as prescribed u/s 92

SL. NO	ROC JURISDICTION AND NUMBER OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	GWALIOR-3	Maximum penalty on Company – Rs.3,78,000/- On Director Rs.1,00,000/-	Orders passed against the Company which defaulted in filing of Annual return for various years	For all the three instances, the companies did not file the Annual return for various years. Notice was issued to the company calling for enquiry and then after hearing the companies were penalized.

				In One instance, Order has been received stating to change the status of the company from strike off to active and do the annual return for three years. But as per the records of MCA, company submitted the challan of the filing, and the order has been disposed off
2	HYDERABAD-1	No penalty imposed	Orders passed against the Company which defaulted in filing of Annual return	In this instance, company has delayed In filing annual return by 1 day. No penalty imposed because company filed suo motu for adjudication for default under section 92
Non filing of Financials as prescribed u/s 137				
SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	GWALIOR-3	On Company - Rs.3,81,800/- maximum On directors- Rs.1,00,000/- maximum	Non-filing of financial statements by defaulting companies for respective years.	In one instance, Order has been received stating to change the status of the company from strike off to active and do the annual return for three years. But as per the records of MCA, company submitted the challan of the filing, and the order has been disposed off

Non-maintenance of Registered office as prescribed u/s 12

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	BANGALORE-5	On 3 directors- Rs.50,000/- each and on Company - Rs.50,000/-	Orders passed against the Company for: 1) Non maintenance of registered office 2) Non maintenance of Name board outside office.	In one instance, the company was a small company and penalty was levied under section 446(B) In another instance, Company has responded that company has shifted its registered office and the name board has been stolen.
2	CHHATTISGARH-1	On 3 directors- Rs.28,000 each and on Company – Rs.28,000/-	Orders passed against the Company for: Delay in filing form INC-22 and Incorrect data updation in INC-22	In this Instance, there was a mis match in the date of lease agreement and the date mentioned in the form. Company admitted their default and filed form GNL-1
3	GWALIOR-3	On Company: Rs.1,00,000/- On 2 Directors: Rs.1,00,000/- each	Orders passed against the Company for non-maintenance of registered office and Company CIN is not mentioned in the letterhead.	In these instances during inspection, the name and address of the register office was unable to locate so adjudication order was passed under this section.

Delay in filing of E-Form INC 20A (Declaration of Commencement of Business) as prescribed u/s 10A

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	BANGALORE-1	On Company: Rs.25,000/- On Director: Rs.50,000/-	Orders passed against the Company for failure to file form INC-20A.	In this instance, the company has been allotted land before filing the declaration of commencement of business.
2	CHHATTISGARH-2	On Company: Rs.28,000/- On Director: Rs.28,000/-	Orders passed against the Company for Commencement of business before filing declaration.	In this Instance, the company has started the transactions before filing the commencement of business declaration with ROC.

Failure to comply to with provisions of Private Placement and allotment of shares as prescribed u/s 42 and 62

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	BANGALORE-1	On Company: Rs.2,05,000/- On Directors :Rs.1,60,005/- each	The Company was unable to comply with provisions of Section 42 & 62 of the Act.	In this instance, company has filed suo moto application. Conversion of loan has been erroneously recorded as rights issue. Since it is a small company, penalty levied against section 446B.
2	GWALIOR-1	On company Rs.2,00,00,000	The Company was unable to comply with provisions of Section 42(6)	In this instance, allotment money was not received and kept in separate bank account

3	MUMBAI-1	On Company 2,00,00,000/- On directors 1,08,000/-	The Company was unable to comply with provisions of Section 42.	a) Failure to maintain separate bank account b) failure to file PAS-3, PAS-4 and other related documents during allotment of shares
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NON-COMPLIANCE OF SECTION 118

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	DELHI-1	On company – Rs.25,000/- On Director -Rs.5000/-	Non conducting of meetings within 120 days gap and not holding 4 meetings for the Financial year(as per SS1)	Since this is not a small company, the benefit of section 446(b) could not be availed.

NON-COMPLIANCE OF SECTION 134

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
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1	BANGALORE -1	On Company 3,00,000/- On three directors 50,000/- each	The Company was unable to comply with below provision of Section 134 of the Act: - Failure to disclose Internal compliance committee in boards report	In this instance, Company responded that there are less than 10 employees, and not required to comply with the IC committee. And no complaints have been received from any women employees.
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NON-COMPLIANCE OF SECTION 135

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	BANGALORE -1	On Company Rs.62,47,688 On directors Rs.4,68,468	The Company was unable to comply with below provision of Section 135 of the Act: Failure to spend on CSR obligations.	In this instance, the company must spend the required amount as a part of CSR obligations based on the paid up capital and turnover. But the company has failed to spend the entire CSR amount

NON-COMPLIANCE OF SECTION 114

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
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1	BANGALORE-1	On Company Rs.10,000 On MD, WTD, KMP Rs.10,000 each	Non disclosure of Notice in the website	Shareholder filed a complaint that VC EGM was conducted, but EGM notice was displayed in the website. Company responded that the website was under construction and the same could not be uploaded. Adjudication order was sent to the company and KMP. KMP replied that she has resigned from the company and submitted the DIR-12 form.
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NON-COMPLIANCE OF SECTION 136

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	MUMBAI-1	On Company Rs.500,000/- On two directors Rs.5,000/- each	Failure to submit Annual return and non-disclosure of CSR in Director's report for FY 2014-2015	In this instance, Company erroneously missed to update the extracts in the Director's report and they have filed GNL-2 in which they have updated all the data and requested ROC to replace GNL-2 form details against AOC-4 form

FAILURE TO APPOINT KEY MANAGERIAL PERSONNEL UNDER SECTION 203

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY

1	BANGALORE-5	On Company: Rs.5,00,00/- On 2 Directors: Rs.5,00,000/- for three years	Failure to appoint Key managerial personnel, Whole time director.	In all these instances, Company made suo motu application for non-compliance.
2	DELHI-2	On company Rs.5,00,000/- On WTD Rs.4,56,000/- On Director Rs.4,50,000/-	Delay in appointment of Key managerial personnel	In this Instance, the company has passed a board resolution, authorizing one director who will be responsible for all compliances of various Indian laws including companies Act 2013. Based on this resolution, the company responded that any penalty to be levied, should be levied on the authorized director only. Designation of both the directors are non-executive directors (NED) and the company has not filed form GNL-3 so as to cast specific obligations on only one director, so both the directors are penalized.
3	MUMBAI-2	On Company Rs.10,00,000/- On two directors Rs.5,50,000/- each	Delay in appointment of Key managerial personnel	In this instance, delay in appointment of Key managerial personnel was for various years and the non-compliant from 2014-2018 was compoundable and from 2018- 2020 was non-compoundable so adjudication order was passed for non-compoundable offence.

NON-COMPLIANCE OF SECTION 149

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	BANGALORE-1	On Company Rs.3,00,000/- On 4 directors Rs.1,00,000/-	Non appointment of Indian Director	Company has filed suo motu application that the company did not have at least one director who is Indian resident.
2	DELHI-1	On company RS.2,02,000/- On director Rs.1,00,000/-	Default in appointment of new director to fill up the vacancy	Since this is not a small company, benefit of section 446(b) could not be availed.

NON-COMPLIANCE OF SECTION 152

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	BANGALORE-1	On Company, WTD and KMP Rs.30000/- each	Disclosure of Independent Director not mentioned in the Notice of EGM	Shareholder has filed a complaint that, explanatory statement of EGM for appointment of independent director does not include a statement that in the opinion of the board, the independent director proposed to be appointed fulfills the condition specified in the Acts and rules. Adjudication order was sent to the company

and KMP. KMP replied that she has resigned from the company and submitted the DIR-12 form.

NON-COMPLIANCE OF SECTION 173

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	DELHI-1	On Company Rs.1,61,000 On director Rs.60,000/-	Non conducting of meetings within 120 days gap and not holding 4 meetings for the Financial year(as per SS1)	<p>In this instance two directors of the company resigned, and company couldn't convene the next board meeting due to non-availability of quorum within the 120 days gap. The company intended to appoint foreign director, due to covid impact, necessary back papers were not able to prepared. Since this is not a small company, benefit of section 446(b) could not be availed. Company and directors were penalized for both the criteria</p> <p>a)Conducting board meeting with a gap of 120 days</p> <p>b)Not holding minimum board meetings for the year</p>

2	MUMBAI-1	On two directors Rs.25,000/- each	Non conducting of meetings within 120 days gap	In this instance, Company pleaded that due to covid impact and non-availability of directors, the company couldn't adhere to the provision of law
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NON-COMPLIANCE OF SECTION 189

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	PUNE-1	On Directors Rs.25,000/- each	Failure to maintain Register of contracts or arrangements in which directors are interested	In this instance, the company is having trade payables with related party and the details were not specified in MBP-4

NON-COMPLIANCE OF SECTION 184(2)

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	PUNE-1	On 3 directors Rs.1,00,000/- each	Failure to disclose the interest of director	In this instance, the Directors of the company have made transactions with related party and the same has not been disclosed in MBP-1. The directors responded that they have disclosed the interest in form MBP-1. One director is only interested party and he has also disclosed the interest.

NON-COMPLIANCE OF SECTION 39(4)

SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	PUNE-1	On Company Rs.16,00,000/- On two directors Rs.1,00,000/- each	Form-PAS-3 (Allotment of securities) has not been certified by the signatory.	Company was penalized for not certifying list of allottees by signatory. Company responded that they have circulated the relevant minutes and they have signed CTC. Due to size constraints, they have attached the PDF of list of allottees taken from the software.

ADJUDICATION ORDERS OF THE RD DURING THE MONTH OF OCTOBER

SL. NO	RD JURISDICTION AND NUMBER OF ORDERS PASSED	PENALTY REDUCED	NATURE OF NON- COMPLIANCE	OTHER RELEVANT POINTS
NIL				